

**LAO Alternative Budget:  
Expenditure Details From February<sup>a</sup>  
Revised for May Revision 2008**

(In Millions)

Department/Program—Description	2007-08	2008-09
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**Proposition 98**

<b>Proposition 98</b> —Capture unspent current-year and prior-year monies. Rationale: See the “Proposition 98 Priorities” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	<del>\$950.0</del> <b>\$300.0</b>	—
<del><b>Proposition 98</b>—Use Public Transportation Account (PTA) monies to fund portion of Home-to-School (HTS) transportation. Rationale: A recent court ruling determined that PTA monies could not be used for prior year debt service but could be used for HTS transportation. Given the ruling, we recommend using additional PTA monies for HTS transportation in the current year.</del> <b>Captured through special session.</b>	<del>409.0</del>	—
<b>Proposition 98</b> —Fund flat year-to-year <b>programmatic</b> budget rather than workload budget. Rationale: See the “Proposition 98 Priorities” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	<del>\$2,769.3</del> <b>\$3,169.3</b>
<b>Proposition 98</b> —Suspend <i>Quality Education Investment Act</i> . Rationale: See the “Proposition 98 Priorities” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	450.0
<b>Proposition 98</b> —Prepay “settle-up” obligation for 2008-09 in 2007-08. Rationale: See the “Proposition 98 Priorities” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	150.0

**Higher Education**

<b>University of California (UC)</b> —Reduce 5 percent base increase to 1.5 percent. Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	\$105.3
<b>UC</b> —Reduce enrollment growth from 2.5 percent to 1.8 percent. Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	16.4

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Department/Program—Description	2007-08	2008-09
<b>UC</b> —Increase student fees by 10 percent, and use revenue as General Fund solution. Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	167.5
<b>UC</b> —Increase institutional financial aid to cover increased student need resulting from LAO proposed fee increase. Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	-32.5
<b>UC</b> —Reduce administrative support spending by 10 percent (Governor’s budget-balancing reductions). Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	32.3
<b>Hastings College of the Law</b> —Reduce administrative support spending by 10 percent (Governor’s budget-balancing reductions). Rationale: We have no issues with the administration’s proposed reduction.	—	0.3
<b>California State University (CSU)</b> —Reduce 5 percent base increase to 1.5 percent. Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	101.2
<b>CSU</b> —Reduce enrollment growth from 2.5 percent to 1.6 percent. Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	22.0
<b>CSU</b> —Increase student fees by 10 percent, and use revenue as General Fund solution. Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	108.7
<b>CSU</b> —Increase institutional financial aid to cover increased student need resulting from LAO proposed fee increase. Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	-28.5
<b>CSU</b> —Reduce administrative support spending by 10 percent (Governor’s budget-balancing reductions). Rationale: See the “LAO Alternative Budget for Higher Education” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	43.2
<b>California Community Colleges Chancellor’s Office</b> —Reduce state operations funding (non-Proposition 98). Rationale: See the “California Community Colleges” write-up in the “Education” chapter of this year’s <i>Analysis</i> .	—	0.2

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Department/Program—Description	2007-08	2008-09
<b>California Student Aid Commission (CSAC)—Fund</b> Cal Grant entitlement program assuming LAO fee recommendations (which are lower than assumption in Governor's budget). Rationale: See the "California Student Aid Commission" write-up in the "Education" chapter of this year's <i>Analysis</i> .	—	74.3
<b>CSAC—Continue Cal Grant competitive program, that</b> Governor proposed for elimination. Rationale: See the "California Student Aid Commission" write-up in the "Education" chapter of this year's <i>Analysis</i> .	—	-58.3
<b>CSAC—Reduce funding for state operations.</b> Rationale: The planned elimination of EdFund as CSAC's auxiliary affords opportunities to restructure and reduce some costs.	—	0.6
<b>California Postsecondary Education Commission—</b> Adopt Governor's budget-balancing reductions. Rationale: We have no issues with the administration's proposed reduction.	—	0.2
<b>Health</b>		
<b>Department of Alcohol and Drug Programs (DADP)—Eliminate funding for the California</b> Methamphetamine Initiative in the budget year. Rationale: See the "Department of Alcohol and Drug Programs" write-up in the "Health and Social Services" chapter of this year's <i>Analysis</i> .	—	<del>\$9.6</del> \$10.0
<b>DADP—Redirect state and federal asset forfeiture</b> proceeds. Rationale: See the "Department of Alcohol and Drug Programs" write-up in the "Health and Social Services" chapter of this year's <i>Analysis</i> .	—	10.0
<b>DADP—Adopt Governor's budget-balancing reductions</b> that do not impact direct drug treatment services. Rationale: We have no issues with the administration's proposed reductions that do not impact direct drug treatment services.	<del>\$0.4</del> —	0.1
<b>DHCS/Medi-Cal—Adopt Governor's budget balancing</b> reductions to reinstate quarterly status reporting and eliminate continuous eligibility for children. Rationale: We have no issue with this request. We have made an adjustment to the Governor's budget reduction to account for increased costs caused by beneficiaries reentering the program when services are needed and county administration costs.	—	<del>69.0</del> 21.7
<b>DHCS/Medi-Cal—Adopt Governor's budget-balancing</b> reduction to discontinue payments for Medicare Part B premiums for beneficiaries who have share of cost requirements. Rationale: We have no issues with the administration's proposed reduction.	5.5 —	65.5 53.8

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Department/Program—Description	2007-08	2008-09
<b>DHCS/Medi-Cal</b> —Adopt Governor’s <i>January and May</i> budget-balancing reductions to reduce certain payments to hospitals. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<del>54.0</del> <b>61.0</b>
<b>DHCS/Medi-Cal</b> —Adopt Governor’s budget-balancing reduction to eliminate the County Cost of Doing Business. Rationale: We have no issues with the administration’s proposed reduction. The savings amount is higher than in the Governor’s budget due to a higher than anticipated growth in the California Necessities Index.	—	<b>32.3</b>
<b>DHCS/Family Health</b> —Adopt Governor’s budget-balancing reductions to shift federal funding from public hospitals to other state health programs to reduce General Fund spending. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<del>26.7</del> <b>25.4</b>
<b>DHCS/Medi-Cal</b> —Apply Deficit Reduction Act eligibility requirements to minor consent beneficiaries in order to obtain federal funds. Rationale: The state chose to forego federal funding for this population in 2006-07 by not enforcing eligibility requirements.	—	<b>18.9</b>
<b>DHCS/ Medi-Cal</b> —Delay implementation of SB 437 pilot program for two years. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<del>18.5</del> <b>13.0</b>
<b>DHCS/Medi-Cal</b> —Implement a rate cap for nursing homes. Rationale: Nursing homes have received rate increases over the last few years. This proposal would limit the rate increase in 2008-09.	—	<del>16.5</del> <b>9.3</b>
<b>DHCS/Family Health/Medi-Cal</b> —Increase the shift of federal funds from public hospitals to certain health programs, thereby reducing Medi-Cal General Fund spending. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<del>91.1</del> <b>29.1</b>
<b>DHCS/Medi-Cal</b> —Adopt Governor’s budget-balancing reductions to shift federal funds from public hospitals to offset General Fund spending for other health care programs. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<del>7.8</del> <b>6.0</b>

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Department/Program—Description	2007-08	2008-09
<p><b>DHCS/Medi-Cal</b>—Implement Public Assistance and Reporting Information System early. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Service’s” chapter of the <i>2007-08 Analysis of the Budget Bill</i>.</p>	—	7.0
<p><b>DHCS/State Operations</b>—Adopt Governor’s budget-balancing reductions to eliminate positions in state operations. Rationale: We have no issues with the administration’s proposed reduction.</p>	—	6.6
<p><b>DHCS/Medi-Cal</b>—Reduce funding for county administration of Deficit Reduction Act (DRA) requirements. Rationale: Our review found that the counties are overbudgeted for carrying out DRA administrative activities related to verification of citizenship and identity. The counties can perform the required tasks in a lesser amount of time and will, therefore, require less funding.</p>	—	6.0
<p><b>DHCS/Medi-Cal</b>—Implement cash and counseling methodology for certain Home and Community Based Service Waiver recipients. Rationale: Program would allow higher functioning recipients greater freedom to choose their own services in exchange for spending caps. <i>Would require a federal waiver and, therefore, no savings until 2009-10. Savings of up to \$5 million.</i></p>	1.0	5.0
<p><b>DHCS/Medi-Cal</b>—Adopt Governor’s budget-balancing reductions for reductions to the Fiscal Intermediary contract. Rationale: We have no issues with the administration’s proposed reduction.</p>	—	4.8 4.1
<p><b>DHCS/Medi-Cal</b>—Allow the HIV/AIDS Pharmacy Pilot program to sunset. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i>.</p>	—	2.7
<p><b>DHCS/Medi-Cal</b>—Shift aged, blind, and disabled into managed care. Rationale: See 2004 report <i>Better Care Reduces Health Costs for Aged and Disabled Persons</i>. Savings of \$25 million would start in 2009-10, with annual savings of \$100 million thereafter.</p>	—	—
<p><b>DHCS/Medi-Cal</b>—Implement pay-for-performance programs for Medi-Cal managed care and Medi-Cal fee-for-service. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i>. Savings of \$5 million would begin in 2009-10.</p>	—	—
<p><b>DHCS/Medi-Cal</b>—Centralize eligibility determinations at the state level. Rationale: See the “Department of Health Care Services” write-up in the “Health and Social Services” chapter of the <i>2003-04 Analysis of the Budget Bill</i>. Savings of \$75 million are expected to begin in 2009-10.</p>	—	—

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Department/Program—Description	2007-08	2008-09
<b>Managed Risk Medical Insurance Board (MRMIB)/Healthy Families Program (HFP)—</b> Adopt Governor's budget-balancing reductions. Rationale: Pending the results of rate negotiations with the health plans, we have no issues with the administration's proposed reductions.	—	<b>41.9</b> <b>37.1</b>
<b>MRMIB/HFP—</b> Eliminate certified application assistance (CAA) payments and caseload. Rationale: The CAA payments are provided to organizations that assist persons with the HFP application process. Elimination of these payments would not impact eligibility or benefit levels.	—	<b>9.6</b> <b>4.7</b>
<b>MRMIB/HFP—</b> Delay implementation of SB 437. Rationale: SB 437 would simplify the annual eligibility review process for HFP beneficiaries. Delaying implementation of this change would not impact current eligibility or benefit levels.	—	<b>2.7</b> <b>1.9</b>
<b>Department of Public Health (DPH)—</b> Adopt Governor's budget-balancing reductions that do not impact direct services. Rationale: We have no issues with the administration's proposed reductions.	—	<b>16.4</b> <b>16.0</b>
<b>DPH/Emergency Preparedness—</b> Reduce local assistance for pandemic influenza planning. Rationale: Maintain current-year level of funding to local governments for pandemic influenza planning.	—	<b>6.9</b>
<b>Department of Developmental Services (DDS)—</b> Adopt Governor's budget-balancing reductions for continuing cost containment measures for regional center (RC) purchase of services. Rationale: We have no issues with continuing the RC purchase of services cost containment measures on a <i>temporary</i> basis for a few more years. However, we would not implement these measures on a permanent basis as proposed in the Governor's budget.	—	<b>229.0</b> <b>214.6</b>
<b>DDS—</b> Adopt Governor's budget-balancing reductions for RC operations. Rationale: We have no issues with the administration's proposed budget reductions.	—	<b>20.5</b>
<b>DDS—</b> Adopt Governor's budget-balancing reductions for Developmental Centers (DC) with certain exceptions. Rationale: We have no issues with the administration's proposed reductions to DCs with the exception of the reduction that would delay the activation of 96 additional beds at Porterville DC.	<b>1.0</b> —	<b>9.5</b> <b>21.2</b>
<b>DDS—</b> Adopt Governor's budget-balancing reductions for reducing rates for Supported Employment Program providers. Rationale: We have no issues with the administration's proposed reductions.	—	<b>7.7</b> <b>7.5</b>

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Department/Program—Description	2007-08	2008-09
<b>DDS</b> —Adopt Governor’s budget-balancing reductions for headquarters with certain exceptions. Rationale: We have no issues with the administration’s proposed budget-balancing reductions to DDS’ headquarters with the exception of the reductions that would reduce audit functions for regional centers and vendors.	—	<b>2.3</b>
<b>DDS</b> —Adopt Governor’s budget-balancing reductions for the Devereux maintenance contract. Rationale: We have no issues with the administration’s proposed reductions.	—	<b>1.2</b>
<b>DDS</b> —Adopt Governor’s budget-balancing reductions for expanding the family cost participation program. Rationale: We have no issues with the administration’s proposed reductions.	—	<b>0.7</b>
<b>Department of Mental Health (DMH)</b> —Adopt Governor’s budget-balancing reductions that minimize impact to direct mental health services. Rationale: We have no issues with the administration’s proposed reductions.	<b>2.6</b> —	<b>5.1</b>
<b>DMH/State Hospitals</b> —Reduce Sexually Violent Predator (SVP) caseload projections. Rationale: See the “Department of Mental Health” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	<b>12.6</b>	<b>13.8</b>
<b>DMH/Managed Care</b> —Reduce mental health managed care caseload projection. Rationale: See the “Department of Mental Health” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<b>2.5</b>
<b>Social Services</b>		
<b>Supplemental Security Income/State Supplementary Program (SSI/SSP)</b> —Delete June 2008 cost-of-living adjustment (COLA). Rationale: We have no issues with the administration’s proposed reduction. See the “Supplemental Security Income/State Supplementary Program” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	<b>\$23.3</b>	<b>\$271.0</b>
<b>SSI/SSP</b> —Delete June 2009 COLA. Rationale: We have no issues with administration’s proposed reduction. See the “Supplemental Security Income/State Supplementary Program” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<b>34.6</b>
<b>SSI/SSP</b> —Reduce grants for couples to 125 percent of the federal poverty guideline. Rationale: See the “Supplemental Security Income/State Supplementary Program” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<b>89.5</b> <b>69.5</b>
<b>In-Home Supportive Services (IHSS)</b> —Extend IHSS redetermination period by six months. Rationale: Redetermination every 18 months is reasonable. See the “IHSS” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i> .	—	<b>7.8</b>

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Department/Program—Description	2007-08	2008-09
<b>California Work Opportunity and Responsibility to Kids (CalWORKs)</b> —Delay beginning of pay-for-performance incentive system for counties until <del>2008-09</del> <b>2009-10</b> . Rationale: A one-time delay in implementation will not significantly impact county performance.	40.0	0 <b>40.0</b>
<b>CalWORKs</b> —Gradually restore <del>Delay restoration of</del> Temporary Assistance for Needy Families federal fund reserve. Rationale: While a reserve is desirable, there was no reserve in 2007-08. This alternative establishes a \$40 million reserve (\$47 million less than Governor), which could be increased in subsequent years.	—	<b>47.0</b> <b>87.0</b>
<del><b>Welfare Automation</b>—Cancel Interim Statewide Automated Welfare System Migration computer project.</del> Rationale: We have no issues with the administration's proposed reduction.	<del>3.4</del>	<del>44.0</del>
<b>Foster Care</b> —Rescind the January 2008 5 percent rate increase and reduce rates for foster family agencies by 5 percent. Rationale: See the "Foster Care" write-up in the "Health and Social Services" chapter of this year's <i>Analysis</i> .	—	<del>23.6</del> <b>18.2</b>
<b>Foster Care</b> —Cap specialized care increments at \$1,000 per month. Rationale: See the "Foster Care" write-up in the "Health and Social Services" chapter of this year's <i>Analysis</i> .	—	<del>1.0</del> <b>0.8</b>
<b>Adoptions Assistance Program (AAP)</b> —Prospectively reduce the maximum AAP grant, reform eligibility, and end automatic increases as adopted children age. Rationale: Savings grow substantially in out-years. See page C-255 of the <i>Analysis of the 2004-05 Budget Bill</i> .	—	2.0
<b>Child Welfare Services (CWS)</b> —Suspend the hold harmless (HH) budgeting system through 2009-10. (Under the HH system, county funding is not reduced even though the caseload declines.) Rationale: See the "Child Welfare Services" write-up in the "Health and Social Services" chapter of this year's <i>Analysis</i> .	—	6.0
<b>CWS</b> —Cap fully loaded social worker costs at \$155,000. Rationale: See the "Child Welfare Services" write-up in the "Health and Social Services" chapter of this year's <i>Analysis</i> .	—	5.1
<b>CWS</b> —Do not implement disclosure of sibling contact information. Repeal Chapter 386, Statutes of 2006, (AB 2488, Leno). Rationale: We have no issues with the administration's proposed reduction.	—	1.2

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Department/Program—Description	2007-08	2008-09
<p><b>CWS</b>—Cancel proposed new computer system and instead upgrade existing system to meet county functionality requirements and federal compliance issues.</p> <p>Rationale: Results in savings of \$75 million over the next six years. See the “Child Welfare Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i>.</p>	0	0
<p><b>Aging</b>—Reduce Senior Community Service Employment Program.</p> <p>Rationale: We have no issues with the administration’s proposed reduction. (Recent federal funding increase offsets this reduction resulting in no net impact on service level.)</p>	—	1.5
<p><b>Aging</b>—Delete state level support for Senior Legal Hotline.</p> <p>Rationale: State General Fund was first provided to this program in 2007, the contractor has other funding sources, and local Area Agencies on Aging also provide legal services at the local level.</p>	—	0.3
<p><b>Child Support Enforcement</b>—Delay increase in pass-through of child support to custodial parents until July 2010.</p> <p>Rationale: Savings increase to \$11.2 million in 2009-10. See the “Department of Child Support Services” write-up in the “Health and Social Services” chapter of this year’s <i>Analysis</i>.</p>	—	5.6
<p><b>Department of Community Services and Development</b>—Reduce Naturalization Services Program.</p> <p>Rationale: Remaining funding of \$1.7 million will maintain support for core group of contracted community based organizations which deliver these services. Some related services are available through the California Department of Education.</p>	—	1.3
<b>Criminal Justice</b>		
<p><b>Department of Justice (DOJ), California Department of Corrections and Rehabilitation (CDCR), State Controller’s Office (SCO), Office of Emergency Services (OES)</b>—Reduce, eliminate, or shift funding for certain criminal justice local assistance programs.</p> <p>Rationale: See the “Crosscutting Issues” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i>.</p>	\$10.0	\$268.0
<p><b>Judicial Branch</b>—Suspend State Appropriations Limit adjustments on a one-time basis.</p> <p>Rationale: See the “Judicial Branch” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i>.</p>	—	126.2

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Department/Program—Description	2007-08	2008-09
<b>Judicial Branch</b> —Begin to phase in electronic court reporting. Rationale: See the “Judicial Branch” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	—	<b>12.6</b>
<b>Judicial Branch</b> —Increase civil filing fees. <del>to reflect inflation in court costs.</del> Rationale: See the “Judicial Branch” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	—	<del>21.4</del> <b>46.0</b>
<b>Judicial Branch</b> —Adjust the budget for <del>likely to</del> delays in the appointment of new judges. Rationale: See the “Judicial Branch” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> . <b>Proposed reduction reflects subcommittee action.</b>	—	<del>15.2</del> <b>18.0</b>
<b>Office of the Inspector General</b> —Reduce request for new staff. <del>by 26 positions.</del> Rationale: See the “Office of the Inspector General” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> . <b>Proposed reduction reflects subcommittee action.</b>	—	<del>4.5</del> <b>2.5</b>
<b>DOJ</b> —Target vacant positions for elimination. Rationale: See the “Department of Justice” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	—	<b>13.0</b>
<b>DOJ</b> —Reduce <del>Deny</del> budget request for Correctional Writs and Appeals unit. Rationale: See the “Department of Justice” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> . <b>Proposed reduction reflects subcommittee proposal.</b>	—	<del>1.8</del> <b>4.3</b>
<b>CDCR</b> —Adopt realignment of supervision of low-level parolees to county probation departments. Rationale: See the “Realignment of Parole” write-up in “Part V” of this publication.	—	<b>483.0</b>
<b>CDCR</b> —Change crimes referred to as “wobblers” to misdemeanors to reduce inmate population. Rationale: See the “Adult Corrections” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	—	<b>250.0</b>
<b>CDCR</b> —Implement “earned discharge” policy for parolees. Rationale: See the “Adult Corrections” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	—	<b>50.0</b>
<b>CDCR</b> —Adjust budget to account for additional savings associated with our “wobblers to misdemeanor” proposal and “earned discharge” proposal. Rationale: Reflects reduced funding need for activities related to recruitment, training, contracted bed expansions, and revocation hearings because of proposed reductions in inmate and parole populations.	—	<del>118.0</del> <b>126.0</b>

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Department/Program—Description	2007-08	2008-09
<b>CDCR</b> —Adjust budget to reflect recent adult inmate and parole population trends. Rationale: See the “Adult Corrections” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	<b>55.0</b>	<b>55.0</b>
<b>CDCR</b> —Adjust budget to reflect delays in implementing various departmental programs. Rationale: The department has experienced delays implementing various budgeted programs, resulting in current-year savings <b>above the amounts reflected in special session action</b> .	<b>28.0</b>	—
<b>CDCR</b> —Substitute federal Workforce Investment Act funds for General Fund support of programs for adult parolees. <b>Reflects availability of additional federal funds</b> . Rationale: See the “Adult Corrections” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	—	<b>4.0</b> <b>7.3</b>
<b>CDCR</b> —Modify Governor’s proposal to reinstate inmate work crews. Rationale: See the “Adult Corrections” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> . <b>Administration has withdrawn proposal</b> .	—	<b>3.0</b>
<b>CDCR</b> —Reject proposal to relocate headquarters of dental and mental health programs. Adjust request for new headquarters staff to reflect salary savings. Rationale: See the “Adult Correctional Health Services” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	—	<b>5.1</b>
<b>CDCR</b> —Adjust budget to reflect recent ward and parole population trends in the Division of Juvenile Facilities. Rationale: See the “Division of Juvenile Facilities” write-up in the “Judicial and Criminal Justice” chapter of this year’s <i>Analysis</i> .	<b>4.0</b> <b>7.6</b>	<b>9.0</b> <b>15.0</b>
<b>Resources and Environmental Protection</b>		
<b>Various Resources Departments/Timber Harvest Plan Review</b> —Shift funding for timber harvest plan review and enforcement to new fee on timber operators. Rationale: See the “Funding Timber Harvest Plan Review and Enforcement” write-up in the “Resources” chapter of this year’s <i>Analysis</i> .	—	<b>\$23.1</b>
<b>Secretary for Resources</b> —Reduce CALFED program. Rationale: We have no issues with the administration’s proposed reduction.	<b>\$0.1</b>	<b>0.6</b>
<b>Secretary for Environmental Protection</b> —Reduce various administrative support activities. Rationale: We have no issues with the administration’s proposed reductions.	<b>0.1</b>	<b>0.2</b>

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Department/Program—Description	2007-08	2008-09
<p><b>California Conservation Corps</b>—Reduce administration and program support and create additional General Fund savings by shifting funding to an available special fund balance.</p> <p>Rationale: See the “California Conservation Corps” write-up in the “Resources” chapter of this year’s <i>Analysis</i>. (Reflects partial approval of administration’s proposed reductions.)</p>	—	1.7
<p><b>Department of Conservation</b>—Reduce geologic hazards and mineral resources conservation program.</p> <p>Rationale: We have no issues with the administration’s proposed reduction.</p>	—	1.0
<p><b>Department of Forestry and Fire Protection (CalFire)</b>—Shift portion of General Fund support for wildland firefighting to new fee assessed on property owners in “state responsibility areas.”</p> <p>Rationale: See the “CalFire” write-up in the “Resources” chapter of this year’s <i>Analysis</i>. (Savings amount accounts for cost of fee collection.)</p>	—	239.0
<p><b>CalFire</b>—Adjust budgeted emergency fire suppression expenditures upward.</p> <p>Rationale: Governor’s workload budget underestimates emergency fire suppression (“E-Fund”) expenditures, given historical five-year average of actual E-Fund expenditures.</p>	—	-35.7
<p><b>CalFire</b>—Fund Governor’s proposal for Automatic Vehicle Locators technology from General Fund, instead of proposed insurance policy surcharge.</p> <p>Rationale: See the “CalFire” write-up in the “Resources” chapter of this year’s <i>Analysis</i>.</p>	—	-4.2
<p><b>CalFire</b>—Reduce administration, resource management, and Office of State Fire Marshal support.</p> <p>Rationale: See the “CalFire” write-up in the “Resources” chapter of this year’s <i>Analysis</i>. (Reflects partial approval of administration’s proposed reductions.)</p>	—	5.1
<p><b>State Lands Commission</b>—Reduce various program activities.</p> <p>Rationale: We have no issues with the administration’s proposed reductions.</p>	—	0.9
<p><b>Department of Fish and Game (DFG)</b>—Shift funding for Endangered Species Act reviews and Natural Communities Conservation Planning to fees.</p> <p>Rationale: See the “Department of Fish and Game” write-up in the “Resources” chapter of this year’s <i>Analysis</i>.</p>	—	5.9
<p><b>DFG</b>—Shift portion of General Fund cost for law enforcement to available special fund balance.</p> <p>Rationale: See the “Department of Fish and Game” write-up in the “Resources” chapter of this year’s <i>Analysis</i>.</p>	—	2.6

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Department/Program—Description	2007-08	2008-09
<p><b>DFG</b>—Reduce hunting and fishing programs, nonregulatory biodiversity conservation programs, and administration.</p> <p>Rationale: See the “Department of Fish and Game” write-up in the “Resources” chapter of this year’s <i>Analysis</i>. (Reflects partial approval of administration’s proposed reductions.)</p>	—	3.3
<p><b>Wildlife Conservation Board</b>—Replace General Fund support for Habitat Conservation Fund (Proposition 117) with special and bond funds.</p> <p>Rationale: See the “Wildlife Conservation Board” write-up in the “Resources” chapter of this year’s <i>Analysis</i>.</p>	—	<del>20.8</del> 20.4
<p><b>California Coastal Commission</b>—Allow commission to spend the fee and penalty revenues it collects, rather than transferring these revenues to the State Coastal Conservancy.</p> <p>Rationale: See the “California Coastal Commission” write-up in the “Resources” chapter of this year’s <i>Analysis</i>.</p>	—	2.0
<p><b>Department of Parks and Recreation (DPR)</b>—Increase state park user fees.</p> <p>Rationale: See the “Department of Parks and Recreation” write-up in the Resources chapter of this year’s <i>Analysis</i>.</p>	—	13.3
<p><b>DPR</b>—Reject budget proposal for increased fire protection.</p> <p>Rationale: See the “Department of Parks and Recreation” write-up in the “Resources” chapter of this year’s <i>Analysis</i>.</p>	—	3.0
<p><b>Department of Water Resources (DWR)</b>—Shift funding for flood management expenditures to new broad-based fee.</p> <p>Rationale: See the “Department of Water Resources” write-up in the “Resources” chapter of this year’s <i>Analysis</i>. <b>Due to timing constraints in getting the collection mechanism in place, the universe of fee payers will be less broad in the budget year (and thus revenues raised will be lower) than in subsequent years.</b></p>	—	<del>40.0</del> 10.0
<p><b>DWR</b>—Shift funding for Colorado River Quantification Settlement Agreement projects to bond funds.</p> <p>Rationale: See the “Department of Water Resources” write-up in the “Resources” chapter of this year’s <i>Analysis</i>.</p>	—	13.5
<p><b>DWR</b>—Reduce California Water Plan, flood management, Central Valley Flood Protection Board, and watermaster program activities, partially offset by bond funds.</p> <p>Rationale: We have no issues with the administration’s proposed reductions.</p>	0.2	7.3
<p><b>Air Resources Board</b>—Reduce research contracts.</p> <p>Rationale: We have no issues with the administration’s proposed reduction.</p>	—	0.2

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Department/Program—Description	2007-08	2008-09
<b>California Integrated Waste Management Board (CIWMB)</b> —Delay budgeted special fund loan repayments. Rationale: Repayments of (1) \$15 million on loan from California Tire Recycling Management Fund and (2) \$2 million on loan from Integrated Waste Management Account are not statutorily required and can be delayed to a later year.	—	17.0
<b>State Water Resources Control Board (SWRCB)</b> —Shift funding for regulatory activities to existing regulatory fee sources by increasing fees. Rationale: See the “State Water Resources Control Board” write-up in the “Resources” chapter of this year’s <i>Analysis</i> .	—	7.8
<b>SWRCB</b> —Shift funding for various water quality management activities to a new broad-based fee. Rationale: See the “State Water Resources Control Board” write-up in the “Resources” chapter of this year’s <i>Analysis</i> .	—	22.0
<b>SWRCB</b> —Reduce general cleanup programs and administration. Rationale: See the “State Water Resources Control Board” write-up in the “Resources” chapter of this year’s <i>Analysis</i> . (Reflects partial approval of administration’s proposed reductions.)	—	0.8
<b>Department of Toxic Substances Control</b> —Reduce illegal drug lab cleanup, emergency response, and biomonitoring activities. Rationale: We have no issues with the administration’s proposed reductions.	1.2	2.5
<b>California Public Utilities Commission</b> —Delay special fund loan repayment. Rationale: Repayment of \$5 million on loan from California Teleconnect Fund not statutorily required and can be delayed to a later year.	—	5.0
<b>General Government</b>		
<b>Arts Council</b> —Adopt Governor’s budget-balancing reduction. Rationale: We have no issues with the administration’s proposed reductions.	—	\$0.1
<b>Augmentation for Employee Compensation</b> —Reject 5 percent pay raise for correctional officers. Rationale: See February 2008 publication <i>Correctional Officer Pay, Benefits, and Labor Relations</i>	\$260.4	260.4
<b>Augmentation for Employee Compensation</b> —Delete pay differential for Human Resources Management System computer staff. Rationale: See the “Augmentation for Employee Compensation” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	0.3

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Department/Program—Description	2007-08	2008-09
<b>Board of Equalization (BOE)/E-Filing</b> —Recognize efficiencies and expand e-filing. Rationale: See the “Board of Equalization” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	1.4
<b>BOE/Tax Gap</b> —Adopt a <del>modified</del> <b>administration’s tax gap package</b> <del>except for two pilot projects</del> . Rationale: <del>Amount is reduced revenues less administrative savings. See the “Board of Equalization” write-up in the “General Government” chapter of this year’s <i>Analysis</i> as well as the Franchise Tax Board issue below. The administration has submitted revised revenue estimates which make the proposals more beneficial.</del>	—	<del>-3.8</del> 7.4
<b>Budget Stabilization Account</b> —Adopt Governor’s proposal to suspend 2008-09 supplementary debt-service payment on deficit-financing bonds. Rationale: Savings shown is different than Governor’s budget due to different revenue total.	—	<del>1,551.3</del> 1,528.7
<b>Business, Transportation and Housing Agency</b> —Adopt Governor’s budget-balancing reductions. Rationale: We have no issues with the administration’s proposed reductions.	—	0.8
<b>California Gambling Control Commission (CGCC)/ 2004 Indian Compact Payments</b> —Direct payments to the General Fund rather than for transportation purposes, on a one-time basis. Rationale: See the “California Gambling Control Commission” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	<del>101.8</del> 100.8
<b>CGCC/Revenue Sharing Trust Fund Backfill</b> —Use Special Distribution Fund, rather than the General Fund, to provide the backfill. Rationale: See the “California Gambling Control Commission” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	40.0
<b>California State Teachers’ Retirement System (CalSTRS)</b> — <del>Make full court-ordered interest payment in 2008-09, rather than deferring costs to future years.</del> Rationale: <del>See the “California State Teachers’ Retirement System” write-up in the “General Government” chapter of this year’s <i>Analysis</i>.</del>	—	<del>-130.8</del>
<b>CalSTRS/Inflation Protection</b> — <del>Reject administration’s proposal to guarantee new benefit.</del> Rationale: <del>See the “California State Teachers’ Retirement System” write-up in the “General Government” chapter of this year’s <i>Analysis</i>.</del>	—	<del>-79.7</del>
<b>Commission on State Mandates (CSM)/Animal Adoption Mandate</b> —Repeal mandate and pay prior year claims over time. Rationale: See the “Commission on State Mandates” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	<del>10.0</del> 5.5

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Department/Program—Description	2007-08	2008-09
<b>Commission on the Status of Women</b> —Adopt Governor's budget-balancing reduction. Rationale: We have no issues with the administration's proposed reduction.	—	0.1
<b>Department of Industrial Relations (DIR)</b> —Reject DIR relocation budget change proposal. Rationale: Savings increase to \$1.1 million in 2009-10. See the "Department of Industrial Relations" write-up in the "General Government" chapter of this year's <i>Analysis</i> .	—	0.1
<b>Fair Employment and Housing</b> —Adopt Governor's budget-balancing reductions. Rationale: We have no issues with the administration's proposed reductions.	—	1.8
<b>Food and Agriculture</b> —Adopt Governor's budget-balancing reductions. Rationale: We have no issues with the administration's proposed reductions.	0.5	8.6
<b>Franchise Tax Board/Tax Gap</b> —Adopt modified tax gap proposal. Rationale: Amount is revenues less increased costs. See the "Franchise Tax Board" write-up in the "General Government" chapter of this year's <i>Analysis</i> .	—	<del>54.1</del> 40.6
<b>Housing and Community Development</b> —Adopt Governor's budget-balancing reductions. Rationale: We have no issues with the administration's proposed reductions.	0.2	1.3
<b>Military Department/Tuition Assistance</b> —Reject new benefit for National Guard members. Rationale: See the "Military Department" write-up in the "General Government" chapter of this year's <i>Analysis</i> .	—	1.8
<b>Military Department</b> —Adopt Governor's budget-balancing reductions. Rationale: We have no issues with the administration's proposed reductions.	<del>1.1</del>	4.6
<b>Office of Administrative Law</b> —Adopt Governor's budget-balancing reduction. Rationale: We have no issues with the administration's proposed reduction.	—	0.3
<del><b>Office of Emergency Services (OES)/State Terrorism Threat Assessment Center</b>—Revert unused funds. Rationale: During a January budget hearing, the administration identified that these funds will not be used in the current year.</del>	<del>1.0</del>	—
<b>OES</b> —Reduce various criminal justice grant programs. Rationale: Savings are included in the "Restructuring Local Assistance for Public Safety" write-up in the "Criminal Justice" chapter.	—	—
<del><b>OES</b>—Adopt Governor's current year budget balancing reductions other than criminal justice grants and State Terrorism Threat Assessment Center. Rationale: We have no issues with the administration's proposed reductions in the current year.</del>	<del>3.4</del>	—

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Department/Program—Description	2007-08	2008-09
<b>OES</b> —Adopt Governor’s budget-year budget-balancing reduction for victim services programs. Rationale: We have no issues with the administration’s proposed reductions.	—	0.4
<b>Office of Planning and Research (OPR)/Cesar Chavez Grants</b> —Suspend program funding. Rationale: See the “Office of Planning and Research” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	5.0
<b>OPR/California Volunteer Matching Network</b> —Do not renew funding. Rationale: See the “Office of Planning and Research” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	0.8
<b>Personnel Administration/Rural Health Equity Program for Annuitants</b> —Adopt Governor’s budget-balancing reductions. Rationale: We have no issues with the administration’s proposed reduction.	—	0.5
<b>Science Center</b> —Adopt Governor’s budget-balancing reductions. Rationale: We have no issues with the administration’s proposed reductions.	—	1.8
<b>Public Employment Relations Board</b> —Adopt Governor’s budget-balancing reductions. Rationale: We have no issues with the administration’s proposed reductions.	—	0.5
<b>State Personnel Board</b> —Adopt Governor’s budget-balancing reductions. Rationale: We have no issues with the administration’s proposed reductions.	—	0.5
<b>Tax Relief/Williamson Act</b> —Phase out subventions. Rationale: See the “Tax Relief” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	3.9
<b>Tax Relief/Senior Citizens’ Homeowners Assistance Program</b> —Roll back program to 1999-00 levels. Rationale: See the “Tax Relief” write-up in the “General Government” chapter of this year’s <i>Analysis</i> .	—	18.5
<b>Veterans Affairs</b> —Adopt Governor’s budget-balancing reductions. Rationale: We have no issues with the administration’s proposed reductions.	1.7	19.5
<sup>a</sup> Scored against Governor’s workload budget—budget bill as introduced excluding Control Section 4.44. Positive numbers are savings, while negative numbers are costs.		